

**SEEKHAVEN FAMILY CRISIS CENTER, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2006**

**SEEKHAVEN FAMILY CRISIS CENTER, INC.**  
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**AS OF JUNE 30, 2006**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Seekhaven Family Crisis Center, Inc.  
Moab, Utah 84532

We have audited the accompanying statement of financial position of Seekhaven Family Crisis Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2006, and the related statements of activities, functional expenses and cash flows as listed in the table of contents. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seekhaven Family Crisis Center, Inc., as of June 30, 2006 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2006 on our consideration of Seekhaven Family Crisis Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

SMUIN, RICH & MARSING



Price, Utah

November 11, 2006

**SEEKHAVEN FAMILY CRISIS CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2006**

	CURRENT FUNDS	
	UNRESTRICTED	TEMPORARILY RESTRICTED
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 155,261	
Accounts receivable - state and local government	307	\$ 49,856
Total current assets	\$ 155,568	\$ 49,856
PROPERTY AND EQUIPMENT:		
Land	\$ 40,000	
Building	160,930	
Building improvements	28,486	\$ 60,329
Equipment and furniture	11,656	45,152
Less: accumulated depreciation	(86,278)	(34,444)
Net property and equipment	\$ 154,794	\$ 71,037
Total assets	\$ 310,362	\$ 120,893
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Cash overdraft		\$ 12,560
Accounts payable	\$ 2,448	
Accrued liabilities	7,989	
Current portion of note payable	1,383	
Total current liabilities	\$ 11,820	\$ 12,560
Note payable, less current portion	\$ 36,154	\$ .....
Total liabilities	\$ 47,974	\$ 12,560
NET ASSETS:		
Unrestricted	\$ 262,388	
Temporarily restricted		\$ 108,333
Total net assets	\$ 262,388	\$ 108,333
Total liabilities and net assets	\$ 310,362	\$ 120,893

"See accompanying notes and accountants' report."

**SEEKHAVEN FAMILY CRISIS CENTER, INC.**  
**STATEMENT OF ACTIVITY AND**  
**CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	CURRENT FUNDS		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL ALL FUNDS
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Public support:			
Received directly - contributions/in kind donations	\$ 24,630		\$ 24,630
Received directly - fund raisers	24,491		24,491
Total public support	\$ 49,121	\$ ...	\$ 49,121
Revenues:			
State and Federal grants		\$ 327,142	\$ 327,142
Other grants	\$ 54,476		54,476
Interest income	893		893
Total revenue	\$ 55,369	\$ 327,142	\$ 382,511
Total public support and revenue	\$ 104,490	\$ 327,142	\$ 431,632
<b>FUNCTIONAL EXPENSES:</b>			
Rape prevention and education		\$ 20,116	\$ 20,116
Homeless trust		30,000	30,000
Emergency shelter		34,775	34,775
VAWA		20,756	20,756
DHS Program expenses		102,110	102,110
DHS Administration expenses		24,879	24,879
VOCA		55,071	55,071
SSBG		1,218	1,218
Altria		10,124	10,124
Utah families		5,890	5,890
Shelter services	\$ 85,855		85,855
Total functional expenses	\$ 85,855	\$ 304,939	\$ 390,794
Excess (deficiency) of public support and revenue over functional expenses	\$ 18,635	\$ 22,203	\$ 40,838
Net assets, July 1, 2005	252,731	86,130	338,861
Prior period adjustment	(8,978)		(8,978)
Net assets, June 30, 2006	\$ 262,388	\$ 108,333	\$ 370,721

"See accompanying notes and accountants' report"

**SEEKHAVEN FAMILY CRISIS CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

YEAR ENDED JUNE 30, 2006

**FUNCTIONAL EXPENSES:**

**Payroll:**

Salaries and wages	\$ 12,137	\$ 13,138	\$ 11,674	\$ 15,340	\$ 61,888	\$ 16,042
Employee benefits	3,577	3,672	4,326	4,478	19,374	4,624
<b>Total payroll</b>	<b>\$ 15,714</b>	<b>\$ 16,810</b>	<b>\$ 16,000</b>	<b>\$ 19,818</b>	<b>\$ 81,262</b>	<b>\$ 20,666</b>

**Other:**

Contracted services	\$ 400	\$ 846	\$ 10,775		\$ 3,174	\$ 590
Telephone	554	498	1,229		1,332	63
Utilities		2,990	2,223		2,117	218
Supplies	738	5,279	1,092	\$ 307	4,901	1,678
Conference and workshops	1,536			580	424	229
Travel	375				492	71
Postage		191			200	193
Repairs and Maintenance		1,717	1,652		1,936	
Advertising and printing	305				250	49
Interest						
Insurance		1,669	1,392		1,730	861
Fund raising						
Donations in kind						
Miscellaneous			412		848	101
<b>Total other expenses</b>	<b>\$ 3,908</b>	<b>\$ 13,190</b>	<b>\$ 18,775</b>	<b>\$ 887</b>	<b>\$ 17,404</b>	<b>\$ 4,053</b>
<b>Allocation of depreciation expense</b>	<b>\$ 494</b>			<b>\$ 51</b>	<b>\$ 3,444</b>	<b>\$ 160</b>
<b>Total functional expenses</b>	<b>\$ 20,116</b>	<b>\$ 30,000</b>	<b>\$ 34,775</b>	<b>\$ 20,756</b>	<b>\$ 102,110</b>	<b>\$ 24,879</b>

"See accompanying notes and accountants' report."

SEEKHAVEN FAMILY CRISIS CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2006

YEAR ENDED JUNE 30, 2006

FUNCTIONAL EXPENSES:

Payroll:

VOCA	SSBG	ALTRIA	UTAH FAMILIES	SHELTER UNRESTRICTED SOURCES	TOTAL PROGRAM EXPENDITURES
\$ 43,840		\$ 149		\$ 34,701	\$ 208,909
Employee benefits 7,923		12		2,804	50,790
Total payroll \$ 51,763	\$ ...	\$ 161	\$ ...	\$ 37,505	\$ 259,699

Other:

Contracted services				\$ 3,389	\$ 19,174
Telephone \$ 459				17	4,152
Utilities		\$ 220		77	7,845
Supplies 811				922	15,728
Conference and workshops 1,961		70			4,800
Travel	\$ 1,218	428			2,584
Postage 77				164	825
Repairs and Maintenance		542	\$ 5,000	1,388	12,235
Advertising and printing					604
Interest				2,022	2,022
Insurance		1,937		853	8,442
Fund raising				3,501	3,501
Donations in kind				24,630	24,630
Miscellaneous		766		1,310	3,437

Total other expenses	\$ 3,308	\$ 1,218	\$ 3,963	\$ 5,000	\$ 38,273	\$ 109,979
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Allocation of depreciation expense			\$ 6,000	\$ 890	\$ 10,077	\$ 21,116
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Total functional expenses	\$ 55,071	\$ 1,218	\$ 10,124	\$ 5,890	\$ 85,855	\$ 390,794
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"See accompanying notes and accountants' report."

**SEEKHAVEN FAMILY CRISIS CENTER, INC.**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED JUNE 30, 2006**

Cash flow from operating activities:		
Increase\decrease) in net assets	\$	40,838
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		21,116
(Increase)\decrease in operating assets:		
Accounts receivable		(4,856)
Increase\decrease) in operating liabilities:		
Accounts payable		2,448
Accrued liabilities		472
		<hr/>
Net cash provided\used) by operating activities	\$	60,018
Cash flows from investing activities:		
Acquisition of property and equipment	\$	(6,638)
		<hr/>
Net cash provided\used) by investing activities		(6,638)
Cash flows from financing activities:		
Payments on debt	\$	(1,198)
		<hr/>
Net cash provided\used) by financing activities		(1,198)
		<hr/>
Net increase\decrease) in cash and cash equivalents	\$	52,182
Cash and cash equivalents at beginning of year		90,519
		<hr/>
Cash and cash equivalents at end of year	\$	142,701
		<hr/>

"See accompanying notes and accountants' report."



**SEEKHAVEN FAMILY CRISIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Background**

Seekhaven Family Crisis Center, Inc. was organized on July 1, 1992 as a nonprofit corporation. The purpose for which the corporation was organized is as follows:

- A. To provide and maintain a stable facility for those who have been involved in family crisis situations; a women's shelter for victims of domestic violence; a place of refuge for homeless individuals. The Center is established for only women and children of those involved in these situations.
- B. To contract with the State of Utah or its agencies or any other body for the funding of the facility, the treatment of those individuals involved in the programs and for the administration of the programs.
- C. To establish an ongoing awareness in the community of the types of services available and the added support of a facility that is accessible and available.

**Basis of Accounting**

- A. Seekhaven Family Crisis Center, Inc. prepares their financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Contributions are recorded when received. All contributions are available for unrestricted use unless specifically restricted by donor.
- B. Restricted funds have been established to account for those resources available for use, but expendable only for the purposes specified by the contracts.

**Income Taxes**

The organization is an exempt organization for Federal income tax purposes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for Federal income taxes.

**Cash Equivalents**

For purposes of the statement of cash flows, Seekhaven Family Crisis Center, Inc., considers all cash and other highly liquid investments with initial maturities of six months or less to be cash equivalents.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets**

Capital assets (land, building, building improvements and furniture and equipment) are recorded at cost or at estimated fair value at the date of gift. Donated items are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided using the straight-line method over three to thirty years estimated useful lives of the assets.

**Receivables**

The balance reported as accounts receivable – state and local government reflects grant and contract revenues due from federal, state and local governments.

2. **FIXED ASSETS**

FIXED ASSETS, AT COST				
	Balance July 1, 2005	Additions	Adjustments and Retirements	Balance June 30, 2006
Land	\$ 40,000			\$ 40,000
Building	160,930			160,930
Building improvements	90,183		\$ (1,368)	88,815
Furniture and equipment	84,055	\$ 6,638	(33,885)	56,808
Total fixed assets	<u>\$ 375,168</u>	<u>\$ 6,638</u>	<u>\$ (35,253)</u>	<u>\$ 346,553</u>
ACCUMULATED DEPRECIATION				
	Balance July 1, 2005	Depreciation	Adjustments and Retirements	Balance June 30, 2006
Building	\$ 50,961	\$ 5,364		\$ 56,325
Building improvements	35,618	5,605	\$ (307)	40,916
Furniture and equipment	39,302	10,147	(25,968)	23,481
Total accumulated depreciation	<u>\$ 125,881</u>	<u>\$ 21,116</u>	<u>\$ (26,275)</u>	<u>\$ 120,722</u>

2. **FIXED ASSETS (Continued)**

Provision for depreciation of property and equipment is computed on the straight-line method. Depreciation is based on estimated useful lives of individual units or classes of property. The cost of maintenance and repairs of properties and renewals, which do not involve substantial betterment, are charged to expense as incurred. When an item of property is replaced and a substantial betterment results, the cost of the replaced property is retired and the cost of the new property is capitalized. At the time properties are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts. Gains and losses therefrom are reflected in the income statement. A capitalization policy of \$1,000 was put into affect during the year ended June 30, 2006. A portion of the fixed assets have been purchased with restricted funds and when the assets are no longer used by the Center, may be required to be sent back to the funding agency. The restricted assets are: building improvements of \$60,329 and equipment of \$45,152. The Center purchased property and equipment for the year in the amount of \$6,638. This amount has been capitalized and depreciated.

3. **DEPOSITS**

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, Seekhaven's deposits may not be recovered. Seekhaven only deposits its funds in qualified depositories. Qualified depositories are any financial institutions whose deposits are insured, up to \$100,000 by a federal agency of the Federal Government.

The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Seekhaven's deposits at June 30, 2006, were \$158,660. Of these, \$58,660 was exposed to custodial credit risk as uninsured and uncollateralized.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	<u>\$ 142,701</u>	<u>\$ 158,660</u>

4. **PENSION PLAN**

As of June 30, 2006, Seekhaven Family Crisis Center, Inc. was not participating in any retirement program.

5. **COMPENSATED ABSENCES**

Compensated absences have not been figured, because Seekhaven Family Crisis Center, Inc. does not provide a plan to compensate employees for these amounts.

6. **NET ASSETS BALANCES**

UNRESTRICTED –

The unrestricted net assets account pertains primarily to amounts that are not designated for specific purposes.

TEMPORARILY RESTRICTED –

The temporarily restricted net assets account pertains to Federal, State and private grants that have been received by the organization. The balance in the account primarily relates to assets purchased by grants that are temporarily restricted and have not fully depreciated.

7. **NOTE PAYABLE**

At June 30, 2006, Seekhaven Family Crisis Center, Inc. had the following note payable totaling \$37,537.

A note payable to Olene Walker Housing Trust Fund was entered into on May 9, 1996. The proceeds were used to purchase a new building for the Center. The terms of the note payable are as follows: Payments are \$268.41 commencing with the 1<sup>st</sup> day of July 1, 1996 and equal payments due on or before the first day of each month thereafter for a period of thirty years or 360 payments. Interest rate is five-percent (5%) per annum. Principal and interest payments are as follows:

<u>YEAR ENDED</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
June 30, 2007	\$ 1,838	\$ 1,383	\$ 3,221
June 30, 2008	1,768	1,453	3,221
June 30, 2009	1,693	1,528	3,221
June 30, 2010	1,615	1,606	3,221
June 30, 2011	1,533	1,688	3,221
2012 - 2016	6,277	9,828	16,105
2017 - 2021	3,493	12,612	16,105
2022 - 2024	349	7,439	7,788
	<u>\$ 18,566</u>	<u>\$ 37,537</u>	<u>\$ 56,103</u>

7. **NOTE PAYABLE (Continued)**

Following is the activity for the year of the notes payable or the year ended June 30, 2006.

<u>Note Payable</u>	<u>Note Payable July 1, 2005</u>	<u>New Debt Issued</u>	<u>Debt Retirement</u>	<u>Note Payable June 30, 2006</u>
Olene Walker	\$ 38,735		\$ (1,198)	\$ 37,537
	<u>\$ 38,735</u>	<u>\$ ...</u>	<u>\$ (1,198)</u>	<u>\$ 37,537</u>

Total interest expense charged as current year expenses on the note payable for the year ending June 30, 2006 was \$1,912.

8. **FUND RAISING INFORMATION**

Funds raising revenue and costs have been kept separate in the financial records of the Center. The total expenses for the costs of fund raising in the audit report are reported under the caption Shelter Services. The total fund raising amounts for revenue and expenses are as follows: Fund raising revenue \$ 22,015 and fund raising expenses \$ 3,501.

9. **PRIOR PERIOD ADJUSTMENTS**

Seekhaven adopted a new capitalization policy increasing the dollar value of the capital assets to be reported. Implementation of the new policy required the deletion of many assets with individual costs below \$1,000. As a result of this policy change, it was necessary to record a prior period adjustment to reflect the affect of the new policy on the financial statements.

10. **USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Center's Board to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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Board of Directors  
Seekhaven Family Crisis Center, Inc.  
P.O. Box 729  
Moab, Utah 84532

**RE: Report on Compliance and on Internal  
Control Over Financial Reporting Based  
on an Audit of Financial Statements Per-  
formed in Accordance With Government  
Auditing Standards**

We have audited the financial statements of Seekhaven Family Crisis Center, Inc., as of and for the year ended June 30, 2006, and have issued our report thereon dated November 11, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Smuin, Rich & Marsing".

Price, Utah

November 11, 2006